

Wealth Markets and Commerce

Finance - Economics

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There is yet no sign of any revival of public interest in the stock market. Professional operations in the specialties have so far proved unsuccessful in attracting an outside following. Money is in more plentiful supply, but this cannot be taken advantage of, inasmuch as brokerage houses are still limited by the restrictions of the bankers' committee, which tend to keep the outstanding loan account at a fixed level. About the only interesting feature of the market yesterday was its so-called "thinness." It was a market in which comparatively little buying or selling sufficed to move prices.

Promises of a record breaking yield of winter wheat is contained in the Department of Agriculture's figures on the acreage of the new crop. The American farmer has fairly outdone himself. He has planted 49,027,000 acres to winter wheat, which is, roughly speaking, 15 per cent more than last year, and 2,000,000 acres more than the combined acreage of both spring and winter wheat in 1918. Apparently impressed with the fact that in wheat he has a "sure thing" crop, since he is guaranteed a minimum price of \$2.20 a bushel next year, the farmer went ahead this fall and put every acre available into this crop. The result of his efforts will likely prove an embarrassment to the government. Such a possibility was foreseen, however, for in September, President Wilson, in announcing that the \$2.20 minimum for the current year's crop would stand in 1919, said, "if there should be peace or increased shipping available before the middle of 1920 Europe will naturally supply itself from the large stores of much cheaper wheat now in the southern hemisphere; therefore, the government is undertaking a risk which might in such event result in a national loss of as much as \$500,000,000 through an unsalable surplus."

Obviously the size of the indemnity which will be asked of Germany will be conditioned by her ability to pay. In determining the financial capacity of the country, however, the Allies cannot in any wisdom regard the principal and interest on Germany's internal war debt as a proper measure, as "The Times" suggests. The Teuton war debt approximates \$35,000,000,000 and the annual interest charge amounts to \$1,750,000,000. An internal debt, it must be remembered, represents merely the obligation of a government to its own citizens. In the national sense, the liquidation of the war debt is the liquidation of the payment of interest on war bonds constitute merely a bookkeeping operation, although the distribution of wealth within the country may be altered in the process. The national treasury takes a given sum of money out of one pocket of the people in taxes and returns it to another pocket in paying interest on the bonds. The payment of an indemnity, on the other hand, involves an external obligation, and is to be measured by different financial yardsticks. "The easy way of estimating what Germany can pay," to which "The Times" calls attention, would be a fallacious and unsound method.

Although man's pursuit after money began many eons before the Great War, it reached its highest intensity in the year that is soon to draw to a close. War prosperity was at least a significant factor in the national demand for a larger volume of money. The extent to which this condition of well-being has affected the masses of men is suggested in the record breaking pressure on the mints for subsidiary coinage—half dollars, quarters, dimes and nickels. In the months preceding the signing of the armistice, the mints producing small coins, which in the aggregate were of skyscraper dimensions, were lagging many weeks behind the popular demand. The Treasury statistics show that on December 1 the total amount of money in circulation reached \$5,993,627,863, the largest sum in history, making the per capita figure \$56.23, also a new high mark. A year ago the total was \$5,085,370,352 and the per capita sum was \$48.50. Forty years ago the aggregate of all money in circulation was \$48,231,000 and the per capita sum \$16.92. Dollars have been multiplying in the United States more rapidly than the population.

Money was offered in the local market with greater liberality yesterday, with the result that the rate for call loans at the Stock Exchange declined to 4 1/2 per cent in the afternoon. Most of the day's business was transacted, however, at 5 to 5 1/2 per cent, which

compared with 6 to 6 1/2 per cent at the close of last week.

Fixed date funds continued to flow into the market and the undertone was much easier, although rates were maintained around 6 per cent. There is an active demand for time accommodation. Ruling rates for money yesterday, compared with a year ago, were as follows:

Call money:	Yesterday.	Year ago.
On mixed collateral 5	6	6
On industrial collateral 5 1/2	6 1/2	6 1/2
Time money (mixed collateral):		
Sixty days	5 1/2	5 1/2
Ninety days	5 1/2	5 1/2
Four months	6	5 1/2
Five to six months	6	5 1/2

Bank Acceptances.—The demand for bank acceptances was moderately active. Rates were unchanged, as follows:

Spot days	Thirty days	Sixty days	Ninety days
Eligible member banks	4 1/4	4 1/4	4 1/4
Eligible non-member banks	4 1/4	4 1/4	4 1/4
Ineligible bank bills	5 1/2	5 1/2	5 1/2
For delivery within thirty days:			
Eligible member banks	4 1/4	4 1/4	4 1/4
Eligible non-member banks	4 1/4	4 1/4	4 1/4
Ineligible bank bills	5	5	5

Discount Rates.—The following table gives the current rates of the twelve Federal Reserve banks on commercial paper for all periods up to ninety days:

Bank	Rate
Boston	4 1/4
New York	4 1/4
Philadelphia	4 1/4
Cleveland	4 1/4
Richmond	4 1/4
Chicago	4 1/4
St. Louis	4 1/4
Minneapolis	4 1/4
Kansas City	4 1/4
Dallas	4 1/4
San Francisco	4 1/4

The Federal Reserve Bank of New York has put in force the following schedule of rediscount rates which apply to bankers' acceptances: Maturities up to 15 days, 4 per cent; 16 to 60 days, inclusive, 4 1/2 per cent; 61 to 90 days, inclusive, 4 3/4 per cent.

Bank Clearings.—Bank clearings, yesterday were:

Exchanges	Balances
New York	\$507,198,477
Baltimore	13,708,065
Chicago	90,729,623

Silver.—London, 48 1/2, unchanged; New York, 101 1/4, unchanged; Mexican dollars, 77 1/2, unchanged.

Sub-Treasury.—The Sub-Treasury sold \$70,000 to the banks on Saturday.

London Money Market.—LONDON, Dec. 16.—Money was firm at 3 per cent. Discount rates were: Short and three months bills, 3 1/4 per cent. Gold premiums at Lisbon were at 90.

The Dollar in Foreign Exchange.—Few changes were recorded in the foreign exchange market yesterday and the volume of business transacted was comparatively small.

Closing rates yesterday, compared with a week ago, follow:

(Quoted dollars to the pound.)	Yesterday.	Week ago.
Sterling, demand	\$4.7570	\$4.7534
Sterling, sixty days	4.73	4.73
Sterling, cables	4.7650	4.7645
Sterling, ninety days	4.7174	4.72

(Quoted units to the dollar.)

Franks, checks	5.45 1/2
Franks, cables	5.45
Lire, checks	6.36 1/2
Lire, cables	6.35
Swiss, checks	4.91
Swiss, cables	4.89

(Quoted cents to the unit.)

Guillemers, checks	42 1/2
Guillemers, cables	42 1/2
Rubles, cables	13.00
Spain, checks	20.00
Spain, cables	20.10
Sweden, checks	29.00
Sweden, cables	29.15
Denmark, checks	26.95
Denmark, cables	27.10
Norway, checks	28.00
Norway, cables	28.15
Argentina, checks	45 1/4
Argentina, cables	45.35
India, rupees, checks	35.5
India, rupees, cables	35.4
Reserve Bank rate	35.73

*Nominal.

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current	Exchange	Intrinsic
Pounds, sterling	\$4.7534	\$4.8854	
Franks	21.16	19.33	
Guillemers	0.423	0.423	
Lire, checks	0.15	0.15	
Crowns (Denmark)	0.26	0.26	
Crowns (Sweden)	0.28	0.28	

New Russian Bank, Backed by Allies, Opens in Archangel

Establishment of State Institution May Aid Restoration of Nation's Finances Toward a Stable Basis

Bankers here believe the beginning of a new era in Russian banking and finance is foreshadowed in the establishment of a new state bank in Archangel, with the backing of the Allied governments, whose military forces are now in control of that portion of Northern Russia. Private cable advices received in Wall Street yesterday told for the first time of this development, which has aroused widespread interest in international banking circles.

The new institution is known as the State Bank of the Northern District and is in charge of Count Kurakin, a Russian banking expert. The bank has the right of issue, and in fact has already begun the issuance of public currency notes, which are secured by the deposit of gold with the Bank of England in London. The notes are redeemable in gold at the rate of forty rubles to the pound sterling and are not convertible into the paper of any of the previous issues emitted by the various revolutionary factions.

Bankers to whose attention the founding of the new bank was called said they considered it a development of prime importance and that eventually it might result in the restoration of Russian finance to a stable basis. The prediction was even made that this bank would, perhaps, in time, supersede the old Russian state bank, which has been over and over again disrupted by the Bolsheviks.

Setting up a redemption value in gold of forty rubles to the pound sterling, for the currency issued by the new bank is tantamount to establishing a new unit of currency in Russia, bankers said yesterday, since it puts a gold value of around 12 rubles to the dollar, whereas the theoretical gold exchange value of the old ruble is 51.2 cents.

Senator Says U. S. Ban Helps British Shipyards

Shipping Board Asked if Rule Against Foreign Accounts Has Been Suspended

WASHINGTON, Dec. 16.—Under a resolution adopted today by the Senate, the Shipping Board is called upon to inform the Senate whether wartime restrictions against the construction of wooden and steel vessels for foreign account has been removed, "and if not, why not."

Senator Jones, of Washington, author of the resolution, said Norwegian ship contracts aggregating 1,000,000 tons recently were pending in the Senate, because these restrictions had not been lifted.

PHILADELPHIA, Dec. 16.—To determine its exact status as a producing yard, officials of the Emergency Fleet Corporation will make a thorough survey of the Hog Island shipbuilding plant.

Cudahy Packing Co.

Net Earnings Decline

Gross sales of \$258,660,971 for the year ended November 2 were reported yesterday by the Cudahy Packing Company in its annual report. This compares with \$283,241,193 of the total gross sales for 1917, amounting to \$3,376,848, showed a decrease of \$1,016,721. This sum, after allowing for preferred dividend requirements, was equivalent to \$2.44 a share on the \$11,449,500 common stock compared with \$3.64 a share earned in the 1917 fiscal period.

Wall Street Items

William B. Smith, Jr., formerly New York manager of Burgess, Lang & Co., has been associated with the New York banking firm of Sutor Bros. & Co.

The Farmers' Loan and Trust Company announced it is now ready to make mail transfers to Belgium for relief and charitable purposes. The rate will be until further notice, 5 1/2 per cent on the dollar.

H. M. C. G. & Co., of New York, the financial associate of Sutor Bros. & Co., will become associated with Robert C. Mayer & Co., a member of their financial department from January, 1919.

O. A. Rofely has been appointed manager of the Sioux Falls division of the Northern States Power Company, succeeding N. C. Draper, resigned.

Money and Prices:

Stock of money gold in the country... \$3,079,094,009

Loans of all national banks... \$9,260,402,000

Federal Reserve Bank... \$2,216,057,000

Food cost of living (Annalist index number)... 292.682

Production:

Unfilled U. S. Steel orders, tons... 8,124,663

Pig iron (daily average), tons... 121,482

Wheat crop, bushels... 1,538,359,000

Corn crop, bushels... 2,582,814,000

Cotton, bales... 11,700,000

Distribution:

Gross railroad earnings... \$1,130,375

Bank clearings... \$507,198,477

General:

Active cotton spindles... 33,121,507

Commercial failures (Dun's):

Number... 570

Building permits (Bradstreet's):

(156 cities)... \$13,815,166

Money and Credits:

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Private G. F. Baker, Jr., Returns From the War

George F. Baker, Jr., who last September enlisted as a private in the army and was stationed at Camp Zachary Taylor, in the government military school there, has returned to his duties as vice president of the First National Bank. He was away from his desk about eight weeks when the armistice with Germany was proclaimed.

The announcement that the younger Baker had decided to enter the army "at the bottom" caused a stir in the financial and social world, particularly in view of the fact that he gave up the rank of lieutenant colonel, which he held as chairman of the Red Cross Committee, which went to France soon after the entrance of the United States into the war.

This incident about the son of Wall Street's "silent man of finance," during his stay at Camp Zachary Taylor was told yesterday. It was to the effect that one of young Baker's associates, who, unaware of Baker's position in the army, wished to see him, advanced from the rank of a buck private, had written to friends in New York in the hope that they would bring the necessary money to see him, and "I would like to see him get along."

The young man, who confirmed the story, adding that he was still a private when he obtained his discharge from the army.

Relevant Comment

Oil Shares Strong

Strength of the oil shares was associated yesterday with reports that the Texas Company had brought in a well on one of its Mexican properties with an estimated daily production of 25,000 barrels. Mexican Petroleum advanced 2 1/2 points, Royal Dutch 1/2, and the Texas Company 1 1/2 points.

Welcomes Peace Conditions

The management of the Cox Carpet Company believes that peace conditions "will benefit the company materially," says Myron W. Robinson, president, in a letter to stockholders.

Canada Stops War Work

All work on the manufacture of war munitions in Canada ceased on Saturday. At the order of the Imperial Munitions Board operations on British contracts stopped on that date. The week preceding manufacturing operations on United States contracts placed in Canada ceased. The various companies owned by the Imperial Munitions Board will be wound up at once.

Paris Bourse Quiet.—PARIS, Dec. 16.—Trading was quiet on the Bourse today. Three per cent rentes sold at 82 francs 15 centimes ex-coupon for cash. Exchange on London was quoted at 25 francs 98 centimes. Five per cent loans sold at 88 francs 10 centimes.

Gary on Duluth Court Decision.—Elbert H. Gary, chairman of the United States Steel Corporation, commenting yesterday on the announcement that damages estimated at \$40,000,000 had been claimed by the United States District Court at Duluth by Captain Alexander McDougall against the Oliver Iron Mining Company, a Steel Corporation subsidiary, said:

"Our attorneys, after a careful examination, have found no just or legal claim for these damages." McDougall charged in his suit that the mining company had infringed his patents for washing iron ore.

Studebaker Notes Over-subscribed.—Goldman, Sachs & Co. and Lehman Brothers announced yesterday that the allotment of \$15,000,000 serial 7 per cent notes of the Studebaker Corporation, offered by them and other bankers, had been over-subscribed and that the subscription books had been closed.

Texas Company Increases Stock.—Stockholders of the Texas Company, at a special meeting yesterday, approved the proposal of the directors for the issuance of \$15,000,000 additional capital stock. Of this amount \$13,875,000 will be offered at par to stockholders in the proportion of one share of new stock for each five shares now held.

Dividends

Extras

Great Lakes Steamship Company... \$2.25

Studebaker Corporation... \$1.00

Regular Dividends

Stock, rate period... \$1.00

Central & G. C. \$1.25, p. Q. Jan. 15 Dec. 31

Albany & S. \$1.00, p. Q. Jan. 15 Dec. 31

Significant Relations

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Commodities

Industrial

Cotton

Further indications of a rapidly improving export prospect and reports of an increasing spot demand were responsible for the sharp advance in yesterday's cotton market. January contracts sold up to 29.93, or 58 points above Saturday's closing figure, and closed at 29.89, with the general list closing very steady at a net advance of 35 to 58 points.

The market was firmer from the start on buying by houses with Liverpool and trade connections, while there was also a broadening demand from commission houses which abnormally high realizing sales at comparatively low prices were reported.

There were 12 to 24 points higher and active months soon sold about half a cent above Saturday's closing figures. Set-backs of one or two points followed, but the market firmed up again during the afternoon, reaching the highest prices of the day in the late trading, when active months sold 52 to 58 points net higher.

Perhaps the chief factor on the advance was the report of a reduction in private reports from New Orleans the reduction amounts to \$1.25 per hundred pounds, beginning with the February delivery. This was supposed to apply to the official British rates, and there were scattering reports during the day that outside tonnage was offered at even higher prices. The feeding rate also showed higher figures. Buying was also encouraged by reports that various foreign firms were opening offices in New York, including representatives of Spanish interests, whose requirements for this season were estimated

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French and British Commissions Here To Purchase Metals

Trade Envoys Will Study Conditions Before Placing Orders—Copper Export Association Started

Representatives of French and English buying commissions, it was learned yesterday, are now in this country gathering information concerning metals for use in the after-the-war scramble for raw materials, which is expected to begin as soon as the requirements for the rebuilding of war-torn France and Belgium are known.

These commissioners, it is understood, are in close touch with the plans of American copper producers and sellers to form an export association which is expected to handle the bulk of copper shipped abroad in the future. Details of this organization and the scope of its proposed activities will be announced today, according to John D. Ryan, president of the United Metals Selling Company and chairman of the board of directors of the Anaconda Copper Mining Company, who is one of the prime movers in the project.

The export association, which will operate under the provisions of the Webb-Pomerene act, already has the approval of the Washington authorities, it is understood. Unlike the proposed combination of independent steel companies that are uniting to sell their products abroad through the medium of a chartered company, it is understood that the copper organization will not incorporate and that exports will continue to be handled much along the same lines as have been in force since the price of the metal was first fixed by the War Industries Board, in the fall of 1917, at 23 1/2 cents a pound.

A special committee was appointed consisting of representatives of the United Metals Selling Company and the American Smelting and Refining Company. Under the supervision of government officials this committee undertook to allocate practically every pound of copper that has been sold either at home or abroad for about a year and a half. The formation of an association to handle after-the-war business was referred to yesterday as an enlargement of the functions of this committee.

Recent reports to the effect that unused copper bought by this government for the army and navy will not be dumped on the open market were confirmed by the head of one of the leading selling agencies. He said that the Washington authorities had agreed to place this metal, which he estimated as a comparatively small amount, in the hands of a special committee, which will dispose of it to meet the needs of consumers.

The range of prices follows:

High.	Low.	Close.	Settle.
Dec. 29.93	29.89	29.93	29.93
Jan. 29.93	29.89	29.93	29.93
Feb. 29.93	29.89	29.93	29.93
Mar. 29.93	29.89	29.93	29.93
Apr. 29.93	29.89	29.93	29.93
May 29.93	29.89	29.93	29.93
June 29.93	29.89	29.93	29.93
July 29.93	29.89	29.93	29.93
Aug. 29.93	29.89	29.93	29.93
Sept. 29.93	29.89	29.93	29.93
Oct. 29.93	29.89	29.93	29.93

COTTON STATISTICS

Receipts	Exports	Stocks
1,503,316	1,378,305	1,846,118
1,423,142	1,417,277	1,306,841
21,090	20,811	43,142
2,500	2,500	2,500
6,467	7,906	7,792

Liverpool Cables.—Spot cotton dull; middling 4 points higher at 20.11; good middling 7 points lower at 19.75. No sales. Imports, 9,000, all American. Futures opened quiet but steady, at 1 to 10 points advance. Closed steady, at a net advance of 22 points to a decline of 3 points. December, 20.81; January, 19.09; February, 18.15; March, 17.31; April, 16.23; Manchester: Yarns and cloths dull.

Southern Spot Markets.—Galveston steady, 50 points higher, at 30c; sales, 3,550 bales. New Orleans steady, 25 points higher, at 29c; sales, 621 bales. Mobile steady, 50 points higher, at 29c; sales, 1,000 bales. Memphis steady, unchanged, at 29c; sales, 3,546 bales. Little Rock quiet, unchanged at 29c; sales, 110 bales. Houston steady, 40 points higher, at 29.75c; sales, 3,546 bales. Little Rock quiet, unchanged at 29c; sales, 497 bales.

Coffee, Sugar and Tea

Tea, Formosa, per lb. 1.10; prices, 2.00; Sugar, granulated, per lb. 9.15; Coffee, Rio No. 7, per lb. 1.10; 7.50.

Coffee Market.—Official warning from Washington is to be sent to firms in the coffee trade forbidding them to trade in twenty-five bag lots at profits higher than those prescribed in restrictions placed on such transactions by the Federal administration. For several weeks past it has been known that a large business has been done in twenty-five bag lots, brokers, it has been said, making as high as 8 cents a bag profit. The present action by the government is a direct result of the fact that the profit restrictions failed to curtail the sale of twenty-five bags or less. The official notice from Washington by the Federal administration is not intended to interfere with the sale of more than one lot, no matter in what quantity they sell. As to profits to dealers who customarily sell twenty-five bags or less, the Federal administration considers any sale at an advance of more than 12 1/2 per cent over the purchase price, plus charges allowed, as a violation, and any licensee exceeding the maximum advance of 12 1/2 per cent against the net price provided for by the food control act.

There were rumors in the trade that the United States government had purchased 1,000,000 bags of coffee from the French government out of the 1,200,000 bags now in Santos and owned by France, and that this coffee would be relieved to American merchants to relieve the present scarcity. A merchant closely connected with French interests stated that it was more likely that the Brazilian government sold the coffee out of an amount taken out of the primary markets.

Livestocks, Meats, Poultry

Following are yesterday's prices, compared with those of a year ago:

Live steers	1.10	1.10	1.10
Dressed beef	1.10	1.10	1.10
Lamb	1.10	1.10	1.10
Pork	1.10	1.10	1.10

Flour and Meal.—Quotations were:

Flour	Meal
10.00	10.00
10.00	10.00
10.00	10.00

Corn.—There was a feverish market in corn, and after a one time showing gains of nearly 2 cents a bushel prices were off and closed 1 to 1 1/2 net lower. Settlement seemed to lean more to the bear side on the advance of the bullish government report and on the belief that receipts from now on are going to show an increase. The feeding rate also showed higher figures. Buying was also encouraged by reports that various foreign firms were opening offices in New York, including representatives of Spanish interests, whose requirements for this season were estimated

THE ANNUAL MEETING OF THE STOCK

holders of the Pennsylvania Long Island Ry. Co. was held Wednesday, Jan. 15, 1919, at 12 o'clock M., at the New Grand Hotel, 175 and 181 St., New York City, to elect directors for the ensuing year and to transact such other business as may come before the meeting.

MEETINGS

THE ANNUAL MEETING OF THE STOCK

Banking Facilities in Belgium and Alsace-Lorraine

THE FARMERS' LOAN AND TRUST COMPANY has maintained, throughout the war, offices in France, in the War Zone occupied by the American Forces, in addition to those in London and Paris maintained for the past twelve years.